

**CONSOLIDATED INSURANCE TRUST
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2006**

	December-06							September-06					Current FYTD		Prior Year FY06		3 Years Ended	5 Years Ended
	Market Value	Allocation		Returns-Quarter		Returns-Month		Market Value	Allocation		Returns-Quarter		Returns		Returns		6/30/2006 Net	6/30/2006 Net
		Actual	Policy(1)	Gross	Net	Gross	Net		Policy(1)	Gross	Net	Gross	Net	Gross	Net			
LARGE CAP DOMESTIC EQUITY																		
Structured Growth																		
Los Angeles Capital	20,929,864	1.5%	1.5%	7.45%	7.40%	0.18%	0.16%	19,450,087	1.5%	1.5%	1.66%	1.60%	9.24%	9.12%	11.36%	11.12%	N/A	N/A
Total Structured Growth	20,929,864	1.5%	1.5%	7.45%	7.40%	0.18%	0.16%	19,450,087	1.5%	1.5%	1.66%	1.60%	9.24%	9.12%	11.36%	11.12%	12.01%	-0.32%
Russell 1000 Growth				5.93%	5.93%	0.34%	0.34%				3.94%	3.94%	10.10%	10.10%	6.12%	6.12%	8.35%	-0.76%
Structured Value																		
LSV	23,166,906	1.7%	1.5%	8.20%	8.09%	1.96%	1.93%	21,431,212	1.6%	1.5%	5.01%	4.90%	13.62%	13.39%	15.51%	15.05%	21.14%	12.22%
Russell 1000 Value				8.00%	8.00%	2.24%	2.24%				6.22%	6.22%	14.72%	14.72%	12.10%	12.10%	15.70%	6.89%
Russell 1000 Enhanced Index																		
Los Angeles Capital	43,899,259	3.2%	3.0%	7.73%	7.67%	1.06%	1.05%	38,796,327	2.9%	3.0%	3.77%	3.71%	11.79%	11.66%	11.83%	11.58%	N/A	N/A
Russell 1000				6.95%	6.95%	1.28%	1.28%				5.06%	5.06%	12.36%	12.36%	9.08%	9.08%	N/A	N/A
S&P 500 Enhanced Index																		
Westridge	44,231,344	3.3%	3.0%	6.93%	6.86%	1.45%	1.43%	41,427,217	3.1%	3.0%	5.82%	5.75%	13.15%	13.00%	9.07%	8.77%	N/A	N/A
S&P 500				6.70%	6.70%	1.40%	1.40%				5.67%	5.67%	12.74%	12.74%	8.63%	8.63%	N/A	N/A
130/30																		
State Street	15,546,008			8.06%	8.03%	2.52%	2.51%	14,391,212			5.80%	5.78%	14.32%	14.28%	9.60%	9.51%	11.47%	2.62%
Total 130/30	15,546,008	1.1%	1.0%	8.06%	8.03%	2.52%	2.51%	14,391,212	1.1%	1.0%	5.80%	5.78%	14.32%	14.28%	9.60%	9.51%	11.47%	2.62%
S&P 500				6.70%	6.70%	1.40%	1.40%				5.67%	5.67%	12.74%	12.74%	8.63%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	147,773,381	10.9%	10.1%	7.56%	7.50%	1.34%	1.32%	135,496,055	10.2%	10.2%	4.57%	4.49%	12.47%	12.32%	11.24%	10.95%	13.63%	3.95%
S&P 500				6.70%	6.70%	1.40%	1.40%				5.67%	5.67%	12.74%	12.74%	8.63%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																		
Manager-of-Managers																		
SEI	49,228,620	3.6%	3.4%	9.01%	8.82%	0.38%	0.32%	45,187,592	3.4%	3.4%	0.17%	-0.01%	9.19%	8.81%	14.39%	13.58%	18.20%	7.84%
Russell 2000 + 200bp				9.43%	9.43%	0.50%	0.50%				0.94%	0.94%	10.46%	10.46%	16.86%	16.86%	21.06%	10.38%
TOTAL SMALL CAP DOMESTIC EQUITY	49,228,620	3.6%	3.4%	9.01%	8.82%	0.38%	0.32%	45,187,592	3.4%	3.4%	0.17%	-0.01%	9.19%	8.81%	14.39%	13.58%	18.20%	7.86%
Russell 2000				8.90%	8.90%	0.33%	0.33%				0.44%	0.44%	9.38%	9.38%	14.58%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY																		
Large Cap - Active																		
Capital Guardian	44,784,189	3.3%	3.1%	8.65%	8.53%	3.08%	3.03%	41,217,235	3.1%	3.1%	5.15%	5.02%	14.25%	13.98%	28.68%	28.07%	20.99%	6.90%
LSV	44,502,501	3.3%	3.1%	10.76%	10.66%	4.58%	4.55%	40,223,984	3.0%	3.1%	6.35%	6.24%	17.79%	17.56%	27.59%	27.09%	N/A	N/A
Total Large Cap - Active	89,286,690	6.6%	6.2%	9.69%	9.58%	3.82%	3.78%	81,441,219	6.2%	6.2%	5.74%	5.62%	15.99%	15.74%	28.21%	27.66%	21.92%	12.63%
MSCI EAFE - 50% Hedged				9.06%	9.06%	3.79%	3.79%				4.87%	4.87%	14.37%	14.37%	26.72%	26.72%	22.56%	6.89%
Small Cap - Value																		
Lazard	10,970,318	0.8%	0.8%	14.90%	14.66%	4.32%	4.20%	9,568,323	0.7%	0.8%	0.91%	0.72%	15.95%	15.49%	24.57%	23.65%	28.06%	N/A
Citigroup Broad Market Index < \$2BN				11.41%	11.41%	3.40%	3.40%				1.53%	1.53%	13.11%	13.11%	29.28%	29.28%	32.40%	N/A
Small Cap - Growth																		
Vanguard	11,125,715	0.8%	0.8%	12.74%	12.63%	3.95%	3.92%	9,878,804	0.7%	0.8%	3.83%	3.73%	17.07%	16.83%	29.77%	29.24%	32.39%	N/A
Citigroup Broad Market Index < \$2BN				11.41%	11.41%	3.40%	3.40%				1.53%	1.53%	13.11%	13.11%	29.28%	29.28%	32.40%	N/A
TOTAL INTERNATIONAL EQUITY	111,382,723	8.2%	7.8%	10.48%	10.35%	3.88%	3.84%	100,888,346	7.6%	7.8%	5.05%	4.93%	16.06%	15.79%	27.95%	27.35%	23.83%	8.67%
MSCI EAFE - 50% Hedged				9.06%	9.06%	3.79%	3.79%				4.87%	4.87%	14.37%	14.37%	26.72%	26.72%	22.56%	6.89%
DOMESTIC FIXED INCOME																		
Core Bond																		
Western Asset	230,358,056	17.0%	16.9%	2.07%	2.01%	-0.34%	-0.36%	225,783,771	17.1%	17.0%	4.50%	4.45%	6.66%	6.56%	-0.70%	-0.90%	7.36%	8.59%
Lehman Aggregate				1.24%	1.24%	-0.58%	-0.58%				3.81%	3.81%	5.09%	5.09%	-0.81%	-0.81%	2.05%	4.97%
Core Plus/Enhanced																		
Clifton Group	52,425,291	3.9%	3.9%	0.66%	0.66%	-0.69%	-0.69%	52,079,496	3.9%	3.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Prudential	52,498,102	3.9%	3.9%	1.96%	1.88%	-0.37%	-0.39%	51,498,140	3.9%	3.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	104,923,393	7.7%	7.8%	1.31%	1.27%	-0.53%	-0.54%	103,577,636	7.8%	7.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				1.24%	1.24%	-0.58%	-0.58%				3.81%	3.81%						
Index																		
Bank of ND	96,906,290	7.2%	7.4%	1.33%	1.31%	-0.39%	-0.40%	99,306,469	7.5%	7.4%	3.12%	3.10%	4.49%	4.46%	-1.08%	-1.14%	1.14%	4.90%
Total Index	96,906,290	7.2%	7.4%	1.33%	1.31%	-0.39%	-0.40%	99,306,469	7.5%	7.4%	3.12%	3.10%	4.49%	4.46%	-0.96%	-1.02%	1.09%	4.62%
Lehman Govt/Credit (3)				1.04%	1.04%	-0.76%	-0.76%				3.91%	3.91%	4.99%	4.99%	-1.52%	-1.52%	1.04%	4.78%
BBB Average Quality																		
Wells Capital (formerly Strong)	229,700,573	17.0%	16.9%	1.81%	1.75%	-0.67%	-0.69%	225,722,804	17.0%	17.0%	4.65%	4.60%	6.54%	6.43%	-1.89%	-2.11%	2.63%	N/A
Lehman US Credit Baa				1.49%	1.49%	-0.94%	-0.94%				4.80%	4.80%	6.36%	6.36%	-2.37%	-2.37%	2.63%	N/A
TOTAL DOMESTIC FIXED INCOME	661,888,312	48.9%	49.0%	1.75%	1.70%	-0.49%	-0.51%	654,390,680	49.4%	49.2%	4.33%	4.28%	6.15%	6.06%	-1.19%	-1.35%	2.25%	5.52%
Lehman Aggregate (4)				1.24%	1.24%	-0.58%	-0.58%				3.81%	3.81%	5.09%	5.09%	-0.81%	-0.81%	1.84%	5.28%
TREASURY INFLATION PROTECTED SECURITIES (TIPS)																		
Northern Trust Global Investments	133,563,764	9.9%	10.2%	-1.25%	-1.26%	-2.31%	-2.32%	135,265,251	10.2%	10.3%	3.52%	3.51%	2.23%	2.21%	-1.49%	-1.53%	N/A	N/A
Western	134,313,292	9.9%	10.2%	-0.90%	-0.90%	-2.26%	-2.26%	135,529,802	10.2%	10.3%	3.85%	3.85%	2.91%	2.91%	-1.94%	-1.94%	N/A	N/A
TOTAL TIPS	267,877,056	19.8%	20.5%	-1.07%	-1.08%	-2.29%	-2.29%	270,795,053	20.5%	20.5%	3.68%	3.68%	2.57%	2.56%	-1.72%	-1.74%	N/A	N/A
LB US TIPS Index				-1.29%	-1.29%	-2.33%	-2.33%				3.63%	3.63%	2.29%	2.29%	-1.64%	-1.64%	N/A	N/A
REAL ESTATE																		
JP Morgan	73,717,198	5.4%	5.6%	0.33%	0.01%	0.10%	0.00%	75,452,197	5.7%	5.6%	0.88%	0.57%	1.22%	0.58%	N/A	N/A	N/A	N/A
NCREIF Total Index				3.51%	3.51%	1.16%	1.16%				3.51%	3.51%	7.14%	7.14%	18.23%	18.23%	N/A	N/A
CASH EQUIVALENTS																		
Bank of ND	42,537,263	3.1%	3.6%	1.32%	1.32%	0.44%	0.44%	41,880,350	3.2%	3.3%	1.35%	1.35%	2.68%	2.68%	4.50%	4.50%	2.71%	2.42%
90 Day T-Bill				1.26%	1.26%	0.44%	0.44%				1.33%	1.33%	2.60%	2.60%	4.00%	4.00%	2.37%	2.25%
TOTAL INSURANCE TRUST	1,354,404,553	100.0%	100.0%	2.61%	2.54%	-0.21%	-0.23%	1,324,090,273	100.0%	100.0%	3.83%	3.76%	6.53%	6.40%	3.82%	3.61%	6.68%	5.32%
POLICY TARGET BENCHMARK				2.24%	2.24%	-0.23%	-0.23%				3.82%	3.82%	6.15%	6.15%	3.72%	3.72%	6.31%	5.45%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Because each fund within the Insurance Trust has a different policy allocation, the consolidated report reflects a weighted average of all of the funds' policy allocations.

(2) Prior to January 1, 2005, the benchmark was First Boston Convertible Index.

(3) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(4) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.